



MINUTES

UPPER TRINITY REGIONAL WATER DISTRICT BOARD OF DIRECTORS MEETING

AUGUST 1, 2019

REGULAR SESSION BOARD MEETING

1. Call to Order

The Board of Directors of the Upper Trinity Regional Water District convened, with President Richard Lubke presiding at 1:03 P.M. on Thursday, August 1, 2019, at the UTRWD Board Meeting Room, 900 N. Kealy, Lewisville, TX 75057.

2. Roll Call and confirm Quorum

The attendance of the Board of Directors was taken. A quorum was present for the meeting.

Board Members in Attendance:

Richard Lubke, President, Highland Village
Mike Fairfield, Treasurer, Lake Cities MUA
Troy Norton, Argyle
Mark Pape, Copper Canyon
Bob Hart, Corinth
Johnny Harris, Denton County
Kristina Clark, DCFWSD #1A
Dick Cook, Double Oak
Virginia Blevins, Justin
Eric Ferris, Lewisville
Lyle Drescher, Northlake
Michael Anderson, Ponder
Tracy LaPiene, Sanger

Ramiro Lopez, Vice President, Irving
Brian Roberson, Secretary, Aubrey
Del Knowler, Bartonville
James Burnham, Celina
Frank Pugsley, Denton
Gary Calmes, Denton County at Large
Kevin Mercer, DCFWSD #7
Clay Riggs, Flower Mound
Devon Kennedy, Krum
Chris Boyd, Mustang SUD
Alan Guard, Pilot Point
Frank Jaromin, Prosper

Staff & Advisors in Attendance:

Larry N. Patterson, Executive Director
Thomas E. Taylor, Former Executive Director
Nancy Tam, Assistant to Executive Director
Jody Zabolio, Director of Operations/Water Rscs
Kim Probasco, Budget Manager
Mark Skaggs, Manager / IT Services
Jason Pierce, Mgr/Gov Affairs & Comm
Rob Collins, Bond Counsel

Matthew Boyle, Jr., Boyle & Lowry
Bill Greenleaf, Chief Financial Officer
Tom Snyder, Director Const. & Eng.
Lester Harris, Controller
Kurt Staller, Asst. Dir, Const. & Eng.
Ed Motley, LRH Program Manager
Victoria Harris, Intern

Others in Attendance:

Raj Mehta, Jacobs
Nick Bulach, Hilltop Financial
Bill Pembroke, KIT Professionals
Anthony Simarippas, Kimberly Horn

Alan Tucker, Plummer
Terry Stewart, RJN
Justin Reeves, LAN

3. Pledge of Allegiance and Invocation

Pledge: Mark Skaggs

Invocation: Gary Calmes

4. Oath of Office

President Lubke administered the Oath of Office for Chris Boyd, Mustang SUD.

5. Opening Remarks:

- A. President's Remarks concerning current events, conduct of the meeting, posted agenda items, committee assignments, and related matters.

President Lubke commented that the Members Breakfast was wonderful and well attended.

- B. Executive Director's Status Report about legislation and regulatory matters, about budgets, current projects and on-going programs of the District, including: the Regional Water System, Water Resource Development, Regional Water Reclamation Systems, Watershed Protection and Water Conservation.

- Larry Patterson briefed the Board regarding the progress of the repair to the 36-inch Northeast Treated Water Pipeline.
- Congrats to three cities in Denton County for being recognized as 2019 Certified Scenic City: **Argyle** – Silver; **Denton** – Gold; **Flower Mound** – Platinum

The Scenic City Certification Program recognizes Texas municipalities that implement high-quality scenic standards for public roadways and spaces.
- Congrats to **Town of Prosper** for encouraging water conservation and recycling. Their special Program featured in the recent TML Texas Town & City magazine; it allows everyone including children to help keep plastics out of landfills.
- District received confirmation that the Water Conservation Plan and Drought Contingency Plan have been approved by TCEQ.

- C. Presentations about awards, recognitions, achievements, etc. of the District, Board Members, Member Entities and Staff.

- Patterson announced that all District's Reclamation Plants were recognized by NACWA for consistent top performance compliance:

Platinum 20th Year Award – Lakeview Platinum 15th Year Award – Peninsula
Platinum 11th Year Award – Riverbend Gold 3rd Year – Doe Branch
- District also recognized for Silver Excellence in Management Award for demonstrated best management practices that address a range of challenges related to effectively managed water sector utilities.

6. Visitor Comments Concerning Agenda Topics.

None.

CONSENT AGENDA

President Lubke asked for a motion to approve items on Consent Agenda. **Frank Jaromin made a motion to approve Consent Agenda Items 7 – 11. Seconded by Bob Hart.** The vote was all Yes. Motion Carried. Items approved were:

- 7. Adopt minutes of July 11, 2019 Board Meeting.
- 8. Accept Monthly Management Report for the period ended June 30, 2019.
- 9. Accept Quarterly Investment Report for the period ended June 30, 2019.
- 10. Authorize the Executive Director to enter into pricing agreements with:
 - A. U.S. Peroxide, LLC for the purchase of odor control chemicals and related services for the Lakeview Water Reclamation System.
 - B. Quality Magnetite, LLC for the purchase of Magnetite for use in the wastewater treatment process at the Riverbend Water Reclamation Plant.
 - C. Brenntag Southwest, Inc. for the purchase of Liquid Aluminum Chlorohydrate for use in the water treatment process at the Harpool Water Treatment Plant.
- 11. Authorize advertising for bids for Ozone Rehabilitation at the Taylor WTP.

ITEMS FOR INDIVIDUAL CONSIDERATION

- 12. Consider adoption of a Bond Resolution authorizing the Issuance of Upper Trinity Regional Water District Regional Treated Water Supply System Revenue Refunding Bonds in an aggregate principal amount not to exceed \$20,250,000; providing for the security and payment thereof; providing for the award of the sale thereof in accordance with specified parameters; authorizing the execution and delivery of a purchase contract, a paying agent/registrars agreement, and an escrow agreement; approving the preparation of an official statement with respect to the bonds; and enacting other provisions relating thereto. **(Weighted Capital Vote)**

Regarding the financial implications of this particular Bond Refunding opportunity for the Regional Treated Water System, it would allow financial flexibility and provide interest cost savings for the Regional Treated Water System in the future. Staff recommend approval of the Bond Resolution to authorize the issuance of Refunding Bonds if specified parameters are met.

Del Knowler made the motion to approve Item #12 as recommended by staff. Seconded by Frank Jaromin. The vote was 43 Yes. 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		

AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Pugsley	2	2		
DC AT-LARGE - Calmes	1	1		
DCFWSO #1A – Clark	2	2		
DCFWSO #7 – Mercer	2	2		
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Riggs	9	9		
HIGHLAND VILLAGE – Lubke	2	2		
IRVING – Lopez	2	2		
JUSTIN – Blevins	1	1		
KRUM - Kennedy	1	1		
LAKE CITIES MUA – Fairfield	2	2		
LEWISVILLE – Ferris	2	2		
MUSTANG SUD - Boyd	3	3		
NORTHLAKE - Dresher	1	1		
PILOT POINT - Guard	1	1		
PONDER - Anderson	1	1		
PROSPER - Jaromin	1	1		
SANGER – LaPiene	1	1		
TOTAL	43	43	0	0

13. Consider a Resolution of the Board of Directors of the Upper Trinity Regional Water District authorizing and expressing intent to reimburse expenditures made from District sources for certain improvements to the Regional Treated Water System.

Bill Greenleaf provided the briefing to the Board. Staff plans to request Board approval in September 2019 to expand the Commercial Paper Program in the Regional Treated Water System from \$50 million to \$75 million beginning October 2019. Until that time, it may be necessary to use reserves as interim financing for certain capital projects to remain under the current \$50 million Commercial Paper limit. If the reserves are used, Staff intends to refund the reserves once the Commercial Paper Program expanded.

Virginia Blevins made a motions to approve Item 13 as presented. Seconded by Lyle Dresher. The Roll Call Vote was 24 Yes. 0 No. Motion carried.

14. Receive update and take appropriate action which may include ratifying emergency purchase for the repair of District’s 36-inch Treated Water Transmission Pipeline from Harpool WTP and approving associated budget amendment.

Tom Snyder reported that on June 25, the 36-inch Harpool Treated Water Pipeline (primarily serving Celina) had a sudden pressure loss. The pressure loss was suspected to be a significant leak in the pipeline. An extensive investigation of the 11 mile pipeline revealed water boiling up in the flooded area adjacent to Lewisville Lake east of the intersection of Fishtrap and Brewer Roads.

Staff contacted the U.S. Army Corps of Engineers (USACE) and requested the lake be lower to normal conservation pool so the leak site could be accessed for immediate repairs. On an emergency basis, Staff mobilized to isolate the damaged section of pipeline and partner with Mustang Special Utility District (MSUD) to maintain service to District customers and members in the northeast portion of our service area. Staff promptly secured Contractor to make repair. Repair parts and materials were difficult to acquire, however, Staff was able to maintain water supply to all customers.

A budget amendment will be necessary for the emergency purchase for the repair. Funding for the budget amendment will utilize O&M Reserves. Dick Cook made a motion to ratify emergency purchase for the repair of District’s 36-inch Treated Water Transmission Pipeline and to approve associated Budget Amendment for a not to exceed amount of \$607,588.85 as recommended by Staff. Seconded by Devon Kennedy. The Roll Call Vote was 24 Yes. 0 No. Motion carried.

15. Consider a resolution authorizing Executive Director to execute a Collection Agreement with the U.S. Forest Service relative to a pending land exchange for real-estate for Lake Ralph Hall. (Weighted Capital Vote)

Ed Motley reported that the acquisition of real-estate for the Lake Ralph Hall project includes securing approximately 990 acres of land from the U.S. Forest Service (USFS). Regulation 36 CFR 254 defines the process that USFS must follow in transferring federal real-estate assets through a land exchange program. This regulation requires a number of evaluations and reviews by USFS staff to protect the public interests.

The anticipated cost associated with the Collection Agreement with the USFS does not exceed \$93,158. Funding for the Lake Ralph Hall project is included in the Regional Treated Water System FY 2019 Capital Budget. It is anticipated that funding through the Texas Water Development Board SWIFT Board Participation program will be used to reimburse this expense.

Frank Jaromin made a motion to approve resolution authorizing Executive Director to execute a Collection Agreement with the U.S. Forest Service relative to a pending land exchange for real-estate for Lake Ralph Hall as recommended by Staff. Seconded by Bob Hart. The vote was 34 Yes. 9 No (Flower Mound). Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		

CORINTH – Hart	3	3		
DENTON (CITY) – Pugsley	2	2		
DC AT-LARGE - Calmes	1	1		
DCFWSD #1A – Clark	2	2		
DCFWSD #7 – Mercer	2	2		
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Riggs	9		9	
HIGHLAND VILLAGE – Lubke	2	2		
IRVING – Lopez	2	2		
JUSTIN – Blevins	1	1		
KRUM - Kennedy	1	1		
LAKE CITIES MUA – Fairfield	2	2		
LEWISVILLE – Ferris	2	2		
MUSTANG SUD - Boyd	3	3		
NORTHLAKE - Dresher	1	1		
PILOT POINT - Guard	1	1		
PONDER - Anderson	1	1		
PROSPER - Jaromin	1	1		
SANGER – LaPiene	1	1		
TOTAL	43	34	9	0

16. Executive Session concerning granting or acquisition of easements, rights-of-way and other property for Water Resource Development or for Regional Treated Water System, pursuant to Texas Government Code, Section 551.072, according to location maps of the projects available in the District Office; and regarding water rights and related permits; for discussion of security matters pursuant to Texas Government Code, Section 551.076; and, regarding General Counsel and Executive Director’s review of legal implications for the relocation of a District water pipeline; and, meeting with legal counsel pursuant to Texas Government Code, Section 551.071, relative to a matter in which the attorney is required under the Texas Disciplinary Rules of Professional Conduct to convey advice in Executive Session.

The Board of Director’s went into Executive Session at 1:39 P.M.
 The Board returned to open meeting at 1:49 P.M

17. Consider action on property matters, some of which may have been discussed in Executive Session.
(Weighted Capital Vote)

The Board discussed the following property items in Executive Session:

- A. Parallel Pipeline Project:** To approve a resolution to authorize the Executive Director to execute a purchase contract for the following:
- (1) Parcel 6 & 12 Valley Ridge Properties, LLC
 - (2) Parcel 10 Champion Investments, LLC

- (3) Parcel 7 & 8 Champion Investments, LLC
- (4) Parcel 11 Valley Ridge Holdings, LLC
- (5) Parcel 13 Prestige Garage, LLC
- (6) Parcel 33 Santa Fe Realty Corp

Lyle Dresher made motion to approve the above property matters as discussed in Executive Session. Seconded by Frank Pugsley. The vote was 43 Yes. 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Pugsley	2	2		
DC AT-LARGE - Calmes	1	1		
DCFWSO #1A – Clark	2	2		
DCFWSO #7 – Mercer	2	2		
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Riggs	9	9		
HIGHLAND VILLAGE – Lubke	2	2		
IRVING – Lopez	2	2		
JUSTIN – Blevins	1	1		
KRUM - Kennedy	1	1		
LAKE CITIES MUA – Fairfield	2	2		
LEWISVILLE – Ferris	2	2		
MUSTANG SUD - Boyd	3	3		
NORTHLAKE - Dresher	1	1		
PILOT POINT - Guard	1	1		
PONDER - Anderson	1	1		
PROSPER - Jaromin	1	1		
SANGER – LaPiene	1	1		
TOTAL	43	43	0	0

B. Lake Ralph Hall Project: Approve a resolution to authorize the Executive Director to execute a purchase contract for Parcel P-133-LRH (Phyllis Anne George) based on the agreed terms as stated and take the necessary steps to finalize and close the purchase of property necessary for the Lake Ralph Hall Project.

Virginia Blevins made a motion to approve the proposed property matter as discussed in Executive Session regarding the Lake Ralph Hall Project. Seconded by Kristina Clark. The vote was 34 Yes. 9 No, Flower Mound. Motion passed. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Pugsley	2	2		
DC AT-LARGE - Calmes	1	1		
DCFWSO #1A – Clark	2	2		
DCFWSO #7 – Mercer	2	2		
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Riggs	9		9	
HIGHLAND VILLAGE – Lubke	2	2		
IRVING – Lopez	2	2		
JUSTIN – Blevins	1	1		
KRUM - Kennedy	1	1		
LAKE CITIES MUA – Fairfield	2	2		
LEWISVILLE – Ferris	2	2		
MUSTANG SUD - Boyd	3	3		
NORTHLAKE - Dresher	1	1		
PILOT POINT - Guard	1	1		
PONDER - Anderson	1	1		
PROSPER - Jaromin	1	1		
SANGER – LaPiene	1	1		
TOTAL	43	34	9	0

18. Review potential agenda items, activities and announcements for future Board meetings.

None.

19. Visitor Comments Concerning Non-Agenda Topics.

None.



20. Adjournment.

There being no further business, President Lubke adjourned the meeting at 1:52P.M.

Recorded By: 
Nancy Tam, Assistant Secretary, Board of Directors

Certified By: 
Brian Roberson, Secretary, Board of Directors

